S&P Global
Ratings

RatingsDirect®

UniCredit Bank AG

Primary Credit Analyst:
Heiko Verhaag, CFA, FRM, Frankfurt + 49 693 399 9215; heiko.verhaag@spglobal.com

Secondary Contact:
Harm Semder, Frankfurt + 49 693 399 9158; harm.semder@spglobal.com

Table Of Contents

Table Of Contents (cont.)

UniCredit Bank AG

Ratings Score Snapshot

Global Scale Ratings
Issuer Credit Rating
BBB+/Stable/A-2
Resolution Counterparty Rating
A-/--/A-2

SACP: bbb+ → **Support: 0** → **Additional factors: 0**

Anchor	bbb+	
Business position	Adequate	0
Capital and earnings	Strong	+1
Risk position	Adequate	0
Funding	Adequate	0
Liquidity	Adequate	
CRA adjustment		-1

ALAC support	0
GRE support	0
Group support	0
Sovereign support	0

Issuer credit rating
BBB+/Stable/A-2
Resolution counterparty rating
A-/A-2

ALAC--Additional loss-absorbing capacity. CRA--Comparable ratings analysis. GRE--Government-related entity. ICR--Issuer credit rating. SACP--Stand-alone credit profile.

Credit Highlights

Key strengths	Key risks
Strong current capital metrics.	Risks from strategic, financial, and operational interaction with the lower-rated UniCredit Group, which also results in downside risk to our capital projection.
Sound franchise in German corporate banking.	Competitive pricing environment and limited growth prospects in Germany's saturated banking market.
Diversified and stable funding profile, with a moderate reliance on wholesale funding.	Business-flow volatility inherent in its markets and investment banking activity.

UniCredit Bank AG will continue its strategic path of improving efficiency and raising synergies with UniCredit group as part of its strategy "UniCredit Unlocked". After booking material restructuring provisions in 2021, 2022 already showed significant cost benefits for Germany-based UniCredit Bank AG (better known as HypoVereinsbank; HVB). In an inflationary environment, HVB managed to reduce non-interest expenses by 6%. Based on cyclical tailwinds in revenues, it also improved its cost-to-income ratio to 58%, compared to 67% in the previous year. For 2023, HVB expects to reduce nominal costs again to further approach its strategic target of a cost-to-income ratio of about 50%. Achieving this will require strict cost discipline and additional improvements in revenues. This might prove difficult in a very competitive operating environment, despite the tailwinds from increasing interest margins.

HVB will continue to benefit from strong capitalization and good profitability, while tail risks from the lower-rated parent remain. Amid good profitability but moderate earnings retention, we expect HVB to maintain a risk-adjusted capital (RAC) ratio of about 12% over the coming two years. While we understand that, beyond the annual local GAAP result, no distributions are planned over the coming years, we have seen repeated extraordinary capital upstreams in the past.

HVB will continue to receive internal funds from UniCredit SpA to meet its minimum requirement for own funds and eligible liabilities (MREL). HVB is part of the single-point-of-entry (SPE) resolution approach of UniCredit SpA, which is the group's sole issuer of bail-in-able debt that is eligible for the group's MREL. The parent bank is downstreaming internal MREL (iMREL) to HVB to fulfill local MREL requirements. Given HVB's intrinsic strength and available bail-in buffers, we think the bank will likely withstand a hypothetical resolution scenario of the parent and continue to rate it above UniCredit's group credit profile ('bbb'). Nevertheless, we still see tail risks from the bank's reputational and strategic links with the lower-rated UniCredit group.

Outlook

The stable outlook on HVB reflects our view that it will continue to post satisfactory financial results within the next 24 months. Its capitalization will remain strong, despite the deteriorated economic environment. We anticipate UniCredit group to downstream substantial subordinated bail-in-able capacity and expect that business and financial dependencies on affiliates will not increase.

Downside scenario

We could downgrade HVB under any of the following three scenarios:

First, if we were to see HVB as potentially less resilient to parental stress. This could arise, for example, if a deeper franchise or financial integration into the UniCredit group occurs, or if the parent decides to maintain materially smaller-than-expected buffers of capital and subordinated bail-in-able instruments in HVB.

We could also downgrade HVB if we were to lower our long-term rating on UniCredit SpA.

Finally, a downgrade could follow a negative revision in our view of HVB's intrinsic credit strength, expressed in the stand-alone credit profile (SACP). This could arise, for example, if we saw deteriorating risk-adjusted capitalization (RAC) that would drive the ratio substantially below 10%.

Upside scenario

An upgrade is unlikely at this point because it would require two positive developments: that we upgrade UniCredit SpA and that we revise our assessment of HVB's SACP upward. The SACP would benefit if HVB's ongoing strategic development under its "UniCredit Unlocked" strategy substantially improved its profitability and efficiency. Strengthened characteristics of the parent that imply a reduction in the risk of substantial capital distributions could also have a positive effect on HVB's SACP.

Key Metrics

UniCredit Bank AG--Key Ratios And Forecasts

	--Fiscal year ended Dec. 31 --				
(%)	**2021a**	**2022a**	**2023f**	**2024f**	**2025f**
Growth in operating revenue	7.4	9.9	(5.0)-0.0	0.0-5.0	0.0-5.0
Growth in customer loans	4.4	5.3	2.0-4.0	2.0-4.0	2.0-4.0
Growth in total assets	-7.7	1.9	0.0-3.0	0.0-3.0	0.0-3.0
Net interest income/average earning assets (NIM)	1.1	1.2	1.2-1.3	1.2-1.3	1.2-1.3
Cost to income ratio	67.5	57.7	59.0-62-0	59.0-62-0	59.0-62-0
Return on average common equity	1.5	7.6	5.5-6.5	6.0-7.0	6.0-7.0
New loan loss provisions/average customer loans	0.1	0.2	0.15-0.25	0.1-0.2	0.1-0.2
Gross nonperforming assets/customer loans	2.0	1.8	1.8-2.0	2.0-2.5	2.0-2.5
Risk-adjusted capital ratio	11.3	12.3	12.0-12.5	11.5-12.5	11.5-12.5

All figures are S&P Global Ratings-adjusted. a--Actual. e--Estimate. f--Forecast.

Anchor: 'bbb+' For Banks Operating Mainly In Germany

Our anchor for a bank operating mainly in Germany is 'bbb+', based on an economic risk score of '2' and an industry risk score of '4'. We view the trend for economic risk and the industry risk trend as stable.

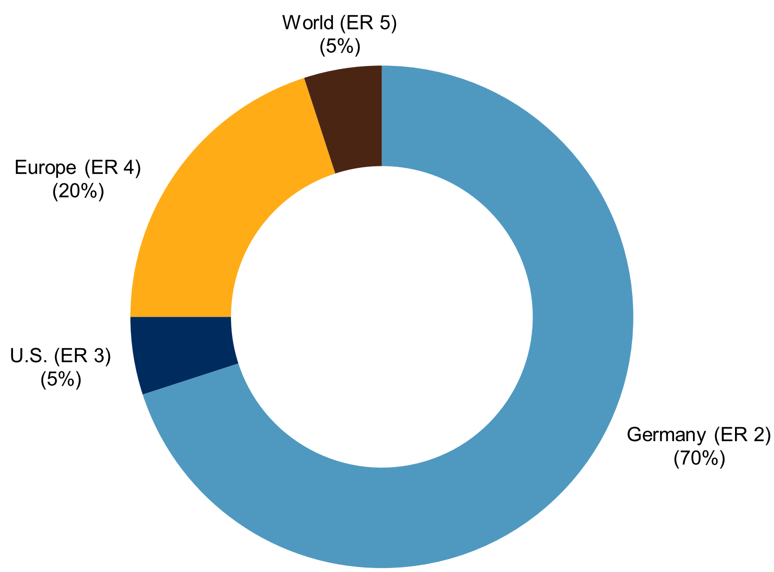
To assess the economic risk for UniCredit Bank, we use the weighted average of its lending to non-banks in each country in which it operates. Currently, UniCredit Bank conducts about 70% of its lending in Germany and the rest mainly in European countries with weaker economic risk scores than Germany (see chart 1). Consequently, the weighted economic risk score for UniCredit Bank is about 2.5%, which is weaker than that for German lending institutions with higher proportions of domestic loans.

Our economic risk assessment considers that the German economy has demonstrated the ability to absorb large economic and financial shocks based on its wealth and the government's ample flexibility for countercyclical measures, including substantial fiscal stimulus and wide-ranging support. Accordingly, our base case scenario considers that the German economy, households, corporates, and public finances will largely cushion German banks from the potential further economic fallout of the Russia-Ukraine conflict. The stable economic risk trend signals our expectation that, at the current assessment level, the relative resilience of the German economy provides meaningful buffers against further economic deteriorations.

Our industry risk assessment of Germany considers that while the recent inflation-induced jump in interest rates helped boost banks' net interest margins, we expect continued high competition. We believe German banks operate in a highly competitive and structurally overbanked market. While pressure on net interest margins has abated for now, we believe German banks are still lagging in terms of revenue diversification, cost efficiency, and digitalization, compared to existing peers and attracted new competitors. In our view, this implies a significant sector gap with leading banking systems, such as in the Nordics. At the same time, with ample available stable funding, Germany remains an attractive destination for international banks as well as new competitors such as fintech or Big Tech.

Chart 1

UniCredit Bank AG's Loan Portfolio Is Dominated By German Exposure



ER--Economic risk. Source: S&P Global Ratings.

Business Position: A Domestic Corporate Bank But Also A Markets And Investment-Banking Hub Within UniCredit Group

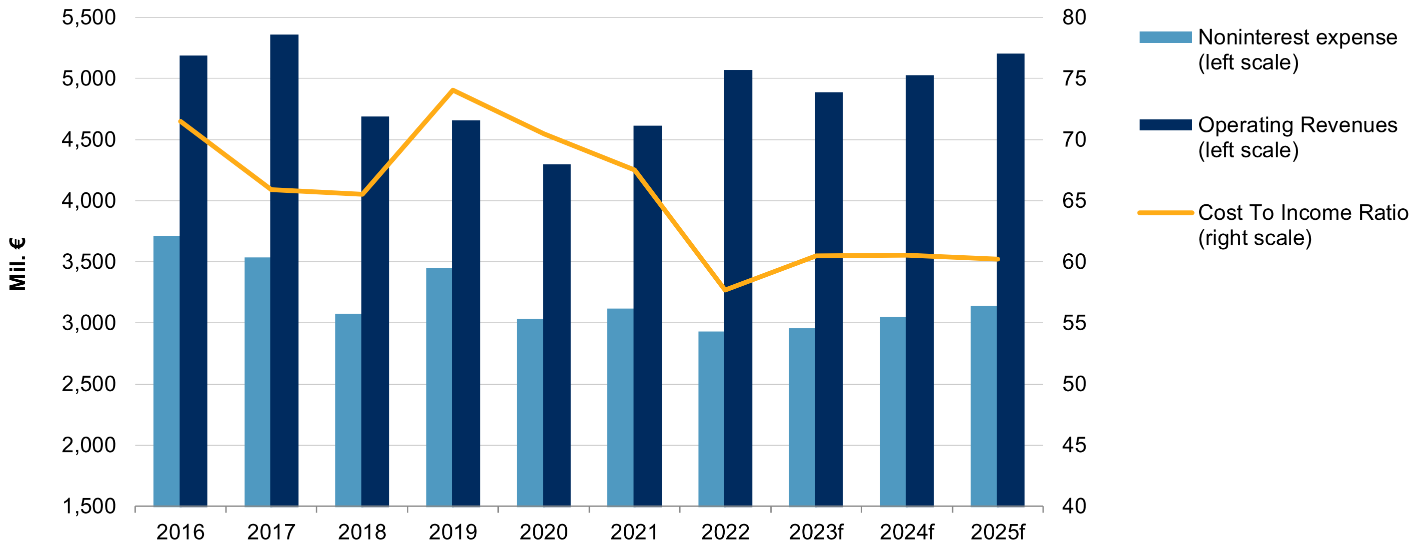
We believe UniCredit Bank's business position benefits from a solid market position in domestic corporate banking and, to a lesser extent, in SME and retail banking. The bank's revenue capacity also benefits from being the markets and investment-banking hub within UniCredit Group. However, this also leads to a higher reliance on revenue that is more sensitive to capital market developments. Volatility in business flows and revenue generation will remain a less favorable component of the bank's market activities.

On the whole, this aligns UniCredit Bank's business position with an average bank in Germany.

The bank has a strong market presence in Bavaria and is striving to gain more relevance in other regions. However, with only about a 4% market share in customer loans nationally, it will continue to lack regional diversification within Germany and compared to main domestic peers like the savings bank sector, cooperative banking sector, Commerzbank, or Deutsche Bank.

Chart 2

HVB Might Find It Difficult To Further Improve Efficiency Amid High Cost Inflation



Cost to Income Ratio is calculated as Noninterest expense/Operating revenues. f--Forecast. Source: S&P Global Ratings.

HVB's main routes to achieve strategic efficiency and profitability targets include a further growth in its private banking activities, strong growth in its SME lending, and increasing revenues from ESG advisory and related issuance activities in its debt capital market business. On the cost side, the bank aims for reduced product complexity and faster decision making through digitalization, automation, and synergies within the group.

For example, the group's unified IT platform is no longer a separate service entity but is now integrated in UniCredit SpA. The bank is thus able to reduce IT-related costs further and to leverage common and uniform platforms. We expect the group to further integrate systems over the coming years, making HVB more dependent on services from the parent.

Capital And Earnings: Strong Capitalization, Absent Any Extraordinary Distributions

As part of the group's Unlocked strategy, HVB aims to improve capital efficiency. It managed to reduce S&P Global Ratings-adjusted risk-weighted assets by 1% over 2022, despite the expansion of its business.

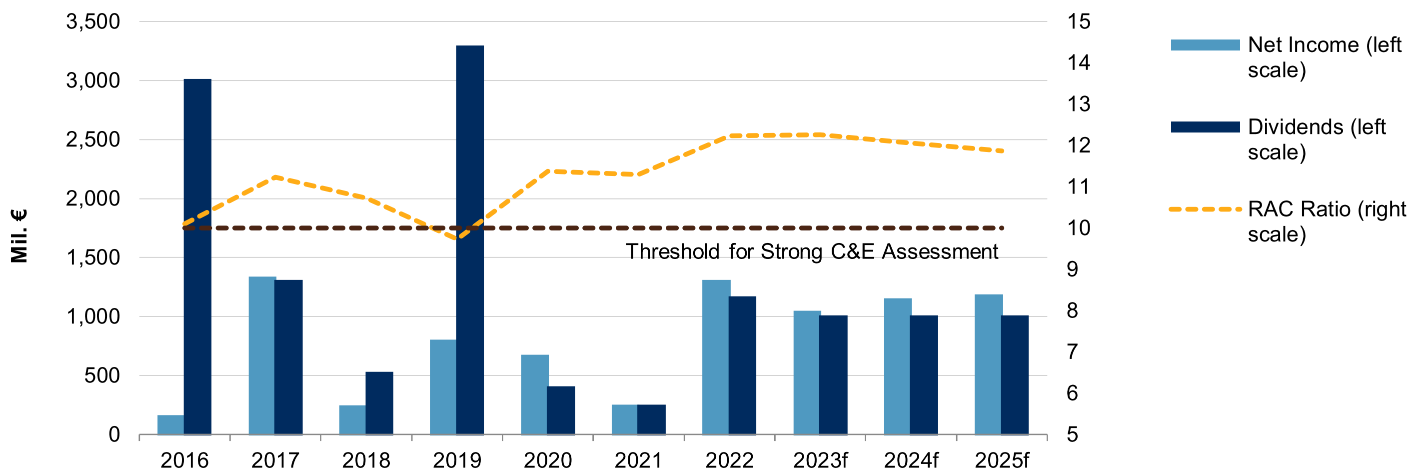
This resulted in a strong risk-adjusted capital ratio of 12.3%, a significant increase from the previous year's 11.3%.

HVB's regulatory tier ratio improved from 19.4% to 21.6%.

Although UniCredit SpA has periodically taken substantial dividends from HVB beyond its annual earnings, it has ensured that HVB operates with regulatory capitalization far above the requirements. We anticipate no change to this stance, not least because HVB competes against highly creditworthy peers in Germany and considers capitalization as positive to its franchise.

Chart 3

Strong Earnings Generation And Improving Capital Efficiency Supports Payouts To Parent



RAC--Risk Adjusted Capital. C&E- Capital and Earnings Assessment. f--Forecast. Source: S&P Global Ratings.

In our base case for the coming two years, we expect continuing tailwinds to net interest income and moderate loan growth of about 3% annually. Some volatility could come from trading activities and other market-related income amid continuing volatility in the rising rate environment. While HVB targets a further reduction in its cost base, we think it could marginally increase amid continuing inflationary pressure. Amid the difficult economic environment, cost of risk could well end up above the 2022 level of about 20bps. Existing post model adjustments in provisions provide some buffer for upcoming defaults.

Overall, HVB is well on track to post a net income of above €1 billion annually between 2023 and 2025. This could result in a return on equity of more than 6%, despite HVB's high capital levels.

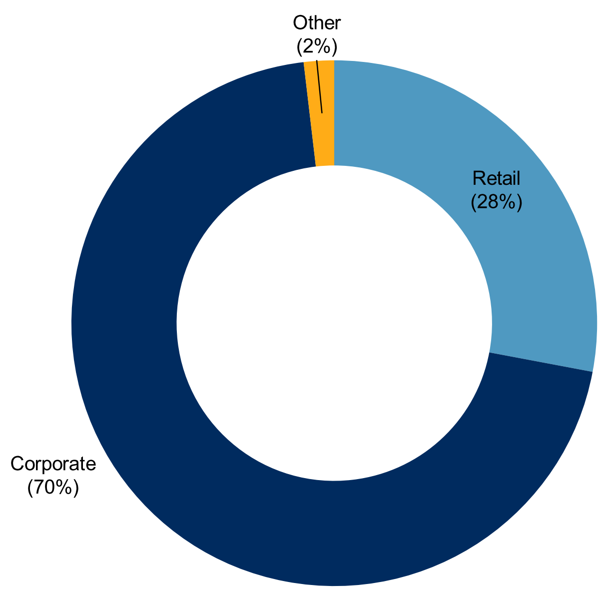
Risk Position: Asset Quality In Line With Most Peers

In our view, HVB's asset quality is neutral to the rating and the risks are well reflected in the assumptions that underly our RAC model. Cost of risk of €299 million or 20 bps during 2022 largely reflect general loan loss provisions, including post model adjustments of €191 million. So far, HVB's asset quality has been resilient to the deteriorating economic environment.

The non-performing loan (NPL) ratio of 1.8% as of 2022 is largely in line with peers (see chart 4). Nevertheless, we expect a gradual increase in NPLs through 2023 and 2024. The asset quality of HVB's corporate portfolio (see chart 4) will be particularly sensitive as larger single tickets could become impaired in the inflationary, low-growth environment.

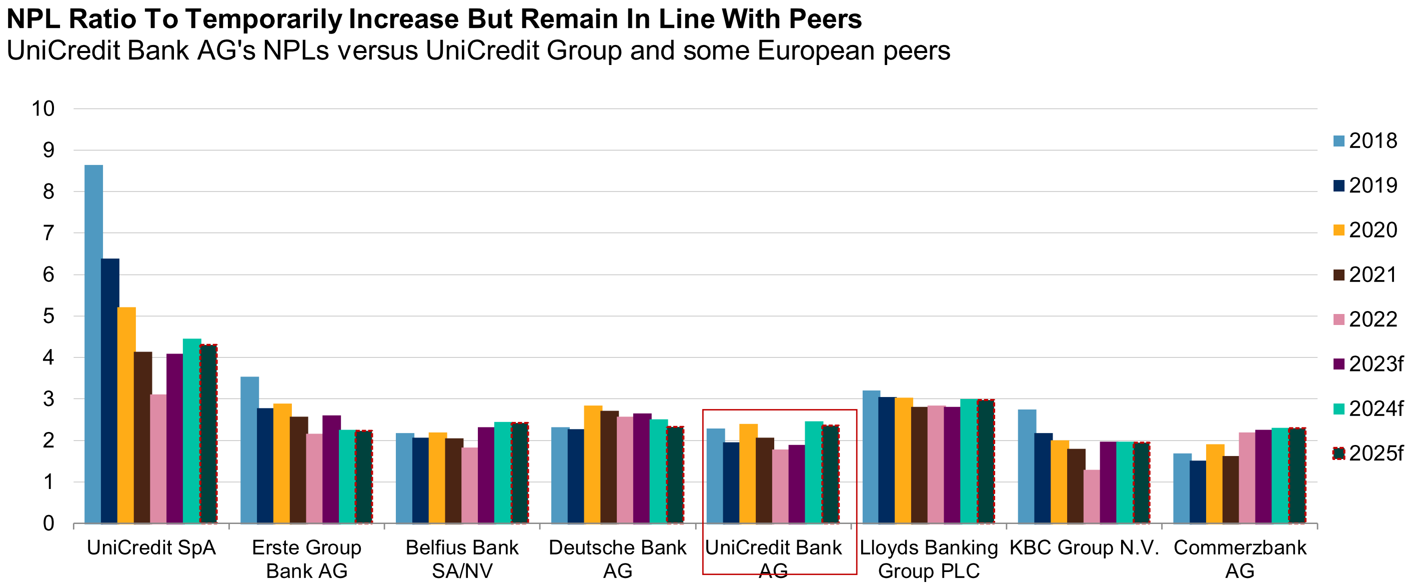
Chart 4

UniCredit Bank AG's Loan Exposure Is Majorly Towards Corporates



Source: S&P Global Ratings.

Chart 5



* Refers to end-of Dec 2022 data. f--Forecast. NPL--Nonperforming loans. Source: S&P Global Ratings.

HVB's function as the markets and investment-banking hub of the group leads to intragroup credit exposure to other group entities, which are subject to self-imposed limits. We understand that the bank would not use excess funding for intragroup funding activities.

In the rising rate environment, HVB is actively managing its interest rate risk in the banking book but is exposed to a further positive rate shock, which would reduce the economic value of equity. As of 2022, it reports a Basel interest rate risk coefficient of -10% of equity in a +200bps shock. Overall, we see interest rate risk as comparable to the peer group. With moderately rising rates, HVB's profitability should experience further tailwinds.

Funding And Liquidity Management In Line With German Peers

HVB's funding profile is in line with large domestic and European bank peers. Yet it is weaker than that of strong German savings and cooperative banking groups that dominate the domestic retail business.

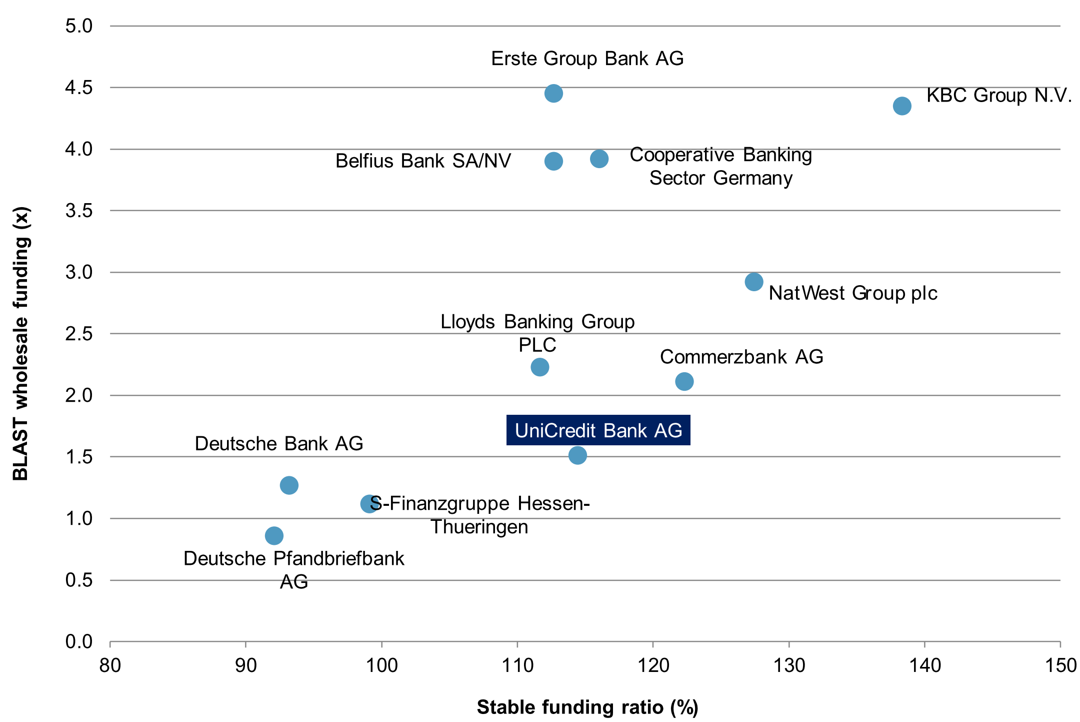
Similar to its peers, HVB took advantage of the ECB's third series of targeted longer-term refinancing operations (TLTRO III). We expect it to refinance the remaining volume of €22 billion with increasing deposits and covered bond funding.

Core customer deposits have already increased in 2022 and now represent about 60% of UniCredit Bank's funding base. These deposits provide a stable and granular funding source, although they include a relatively higher share of corporate and SME deposits, compared to more retail-focused banks. The bank's customer loan to customer deposit ratio of 105% as of 2022 appears relatively stable over recent years. German Pfandbriefe (covered bonds) remain another important and reliable source of funding and liquidity, particularly during times when other market funding proves less reliable or more costly.

HVB's stable funding ratio of 114% and its regulatory net stable funding ratio of 115% in 2022 is in line with its main peers (see chart 3).

Chart 6

Key Funding And Liquidity Metric Remain In Line With Main Peers', YE 2022



BLAST--Broad liquid assets/short-term. Source: S&P Global Ratings.

While liquidity was slightly reduced over the last two years, it remains adequate, not least due to broad liquid assets that cover short-term wholesale funding by 1.5x and a regulatory liquidity coverage ratio of 142%. These ratios benefit from a large cash position and a sizeable security portfolio. Absent public disclosure on the quality of the fixed income securities, our ratios consider a standard haircut of 50% on most of the securities, while we expect that a large share actually consists of government or covered bonds that have higher liquidity value. If needed, and depending on the environment, we would expect UniCredit Group to be a contingent liquidity provider.

Comparable Rating Analysis

We continue to see tail risks from the strategic, financial, and operational connections with the lower-rated group and view a 'bbb+' SACP as a fair reflection of the subsidiaries' credit strength in the European peer context. We remain mindful of the potential reputational and financial risks from being part of a lower-rated parent that could negatively impact the franchises of their domestic operations. Although it is a hypothetical scenario, if UniCredit SpA came under stress, we think that this could have negative but limited knock-on effects for HVB. In such a scenario, we could envision some capital upstreaming, though not to an extent that would reduce the subsidiaries' capital ratios close to their regulatory requirements.

Separately, we believe HVB still has somewhat weaker profitability and lower cost efficiency than European peer banks with an 'a-' SACP. Over time, we expect the cost-to-income ratio of HVB to gradually improve under the "UniCredit Unlocked" strategy. Based on these factors, we currently apply a negative comparable ratings analysis (CRA) adjustment when we assess HVB's SACP.

Support: Insulation From UniCredit SpA Reflects Some Expected Resilience To A Hypothetical Resolution Scenario At The Parent

The UniCredit group operates under an effective SPE resolution plan. Italy-based ultimate parent UniCredit SpA (BBB/Stable/A-2) is the group's single point of entry for resolution purposes and the sole issuer of bail-in-able debt that is eligible for the group's MREL. In 2020, UniCredit SpA started to downstream iMREL to HVB to fulfill local MREL requirements.

We rarely rate subsidiaries above their parent while a parental stress scenario remains a remote prospect. This is particularly true for SPE groups, since this resolution approach can allow for substantial financial and operational integration of a banking group's operating entities.

However, we believe HVB's relatively limited funding and financial dependency on affiliates and substantial pre-positioned resources mean that it is likely to show greater resilience than UniCredit SpA under sustained stress.

UniCredit seeks to raise synergies and improve efficiencies as a European banking group. This initiative is consistent with the SPE resolution approach that seeks to keep the group's key operations functioning as a cohesive whole.

While this creates greater operational dependency on the parent, we remain mindful of the role of resolution. If UniCredit SpA was to fail, we expect that regulators would bail in subordinated and senior debt to recapitalize it. This implies a potential default on UniCredit SpA's senior debt. However, the bail-in, combined with preparations to ensure operational continuity of the group's critical functions in resolution, could credibly help avoid default on senior preferred obligations of HVB.

We, therefore, rate HVB up to one notch above the UniCredit group credit profile.

Environmental, Social, And Governance

ESG Credit Indicators

E-1	**E-2**	E-3	E-4	E-5	S-1	**S-2**	S-3	S-4	S-5	G-1	**G-2**	G-3	G-4	G-5

ESG credit indicators provide additional disclosure and transparency at the entity level and reflect S&P Global Ratings' opinion of the influence that environmental, social, and governance factors have on our credit rating analysis. They are not a sustainability rating or an S&P Global Ratings ESG Evaluation. The extent of the influence of these factors is reflected on an alphanumerical 1-5 scale where 1 = positive, 2 = neutral, 3 = moderately negative, 4 = negative, and 5 = very negative. For more information, see our commentary "ESG Credit Indicators: Definition And Applications," published Oct. 13, 2021.

We think environmental, social, and governance standards are in line with those of other banks.

Some governance issues at HVB resulted in material fines, like the violation of U.S. sanctions resulting in settlement in 2019 and some ongoing investigations regarding the bank's alleged tax evasion in connection with cum-ex transactions, for which we cannot exclude additional fines. Nevertheless, sustainability is strongly embedded in UniCredit Group's Unlocked strategy. Additionally, HVB is a leading domestic originator of green and ESG-linked bonds and is well positioned to benefit from the environmental transition.

Overall, ESG aspects do not affect UniCredit Bank's credit quality differently to its industry peers.

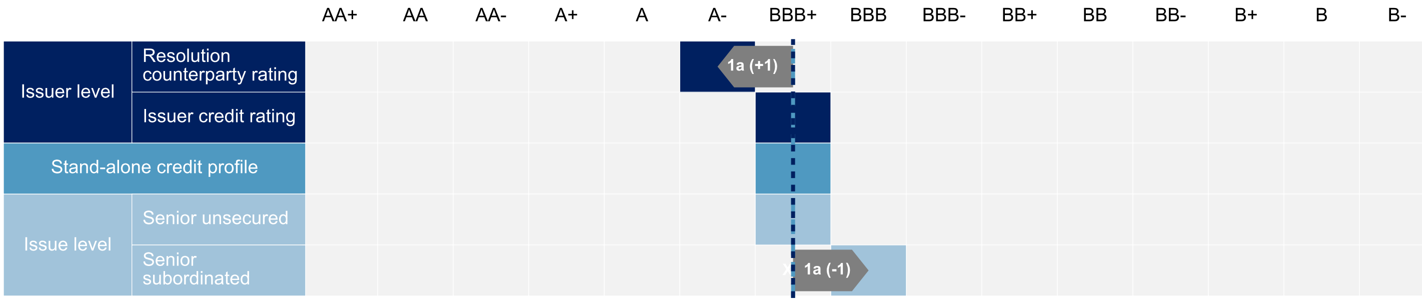
Hybrid Issue Ratings

The 'BBB' issue rating on UniCredit's senior subordinated debt is one notch below our 'bbb+' SACP. We notched it down due to the debt's contractual subordination to senior obligations, in line with our hybrid capital criteria.

Resolution Counterparty Ratings (RCRs)

Our 'A-' long-term RCR on UniCredit Bank reflects the relative default risk of certain senior liabilities that might be protected from default through an effective bail-in resolution process. It is one notch above its 'BBB+' long-term issuer credit rating.

UniCredit Bank AG: Notching



Key to notching

Stand-alone credit profile
Issuer credit rating

RC Resolution counterparty liabilities (senior secured debt)
Group Group support
1a Contractual subordination

Note: The number-letter labels in the table above are in reference to the notching steps we apply to hybrid capital instruments, as detailed in table 2 of our “Hybrid Capital: Methodology And Assumptions” criteria, published on March 2, 2022.
AT1--Additional Tier 1. NDSD--Non-deferrable subordinated debt. NVCC--nonviability contingent capital.

Key Statistics

Table 1

UniCredit Bank AG--Key Figures

	--Year-ended Dec. 31--				
(Mil. €)	**2022**	**2021**	**2020**	**2019**	**2018**
Adjusted assets	318,000.0	312,108.0	338,116.0	303,583.0	286,539.0
Customer loans (gross)	155,422.0	147,532.0	141,280.0	137,777.0	131,810.0
Adjusted common equity	16,870.0	15,481.0	15,466.0	15,317.0	16,843.0
Operating revenues	5,063.0	4,605.0	4,288.0	4,647.0	4,682.0
Noninterest expenses	2,921.0	3,108.0	3,022.0	3,441.0	3,068.0
Core earnings	1,356.0	621.7	332.1	888.2	529.7

Table 2

UniCredit Bank AG--Business Position

	--Year-ended Dec. 31--				
(%)	**2022**	**2021**	**2020**	**2019**	**2018**
Total revenues from business line (currency in millions)	5050.0	4647.0	4881.0	5151.0	4708.0
Commercial banking/total revenues from business line	68.12	49.1	46.2	44.1	49.2
Retail banking/total reveues from business line	27.0	N/A	N/A	N/A	N/A
Other revenues/total revenues from business line	4.9	9.7	19.3	18.4	8.5
Return on average common equity	7.6	1.5	3.8	4.3	1.3

N/A--Not applicable.

Table 3

UniCredit Bank AG--Capital And Earnings

	--Year-ended Dec. 31--				
(%)	2022	2021	2020	2019	2018
Tier 1 capital ratio	21.6	19.4	20.9	17.5	19.9
S&P Global Ratings' RAC ratio before diversification	12.3	11.3	11.4	9.7	10.7
S&P Global Ratings' RAC ratio after diversification	12.1	11.2	11.2	9.5	11.0
Adjusted common equity/total adjusted capital	90.8	90.1	90.1	100.0	100.0
Net interest income/operating revenues	51.9	54.6	56.3	51.4	53.1
Fee income/operating revenues	22.1	24.2	23.5	20.9	21.7
Market-sensitive income/operating revenues	21.9	15.9	13.5	15.1	13.6
Cost to income ratio	57.7	67.5	70.5	74.0	65.5
Preprovision operating income/average assets	0.7	0.5	0.4	0.4	0.6
Core earnings/average managed assets	0.4	0.2	0.1	0.3	0.2

N/A--Not applicable. N.M.--Not meaningful.

Table 4

UniCredit Bank AG--Risk-Adjusted Capital Framework Data

	EAD(1)	Basel III RWA (2)	Average Basel III RW (%)	S&P Global Ratings RWA	Average S&P Global Ratings RW (%)
Government and central banks	72,069.4	2,273.5	3.2	3,253.5	4.5
Of which regional governments and local authorities	12,771.8	40.0	0.3	464.7	3.6
Institutions and CCPs	30,917.4	5,706.5	18.5	7,885.2	25.5
Corporate	132,055.7	42,640.7	32.3	87,532.8	66.3
Retail	33,994.2	6,040.4	17.8	10,250.0	30.2
Of which mortgage	23,730.6	3,167.8	13.3	4,796.8	20.2
Securitization (3)	21,849.6	3,437.6	15.7	6,183.6	28.3
Other assets(4)	4,548.1	3,667.2	80.6	6,455.3	141.9
Of which deferred tax assets	829.0	--	--	3,108.8	3.8
Of which amount of over (-) or under (+) capitalization of insurance subsidiaries	0.0	--	--	0.0	0.0
Total credit risk	295,434.4	63,766.0	21.6	121,560.5	41.1
Total credit valuation adjustment	--	1,063.1	--	4,152.3	--
Equity in the banking book	528.8	1,190.2	225.1	4,046.9	765.3
Trading book market risk	--	7,124.4	--	9,524.1	--
Total market risk	--	8,314.7	--	13,571.0	--
Total operational risk	--	8,615.4	--	11,484.3	--
RWA before diversification	--	82,076.6	--	150,768.0	100.0
Single name(On Corporate Portfolio) (5)	--	--	--	5,284.7	6.0
Sector(On Corporate Portfolio)	--	--	--	(2,491.3)	(2.7)
Geographic	--	--	--	120.5	0.1
Business and Risk Type	--	--	--	51.0	0.0
Total Diversification/ Concentration Adjustments	--	--	--	2,964.8	2.0
RWA after diversification	--	82,076.6	--	153,732.8	102.0

Table 4

UniCredit Bank AG--Risk-Adjusted Capital Framework Data (cont.)	Tier 1 capital	Tier 1 ratio (%)	Total adjusted capital	Standard & Poor's RAC ratio (%)
Capital ratio before adjustments	17,449.0	21.3	18,570.0	12.3
Capital ratio after adjustments (6)	17,449.0	21.3	18,570.0	12.1

Footnotes: (1) EAD: Exposure At Default (2) RWA: Risk-Weighted Assets (3) Securitisation Exposure includes the securitisation tranches deducted from capital in the regulatory framework (4) Other assets inlcudes Deferred Tax Assets (DTAs) not deducted from ACE (5) For Public-Sector Funding Agencies, the single name adjustment is calculated on the regional government and local authorities portfolio (6) For Tier 1 ratio, adjustments are additional regulatory requirements (e.g. transitional floor or Pillar 2 add-ons)

Table 5

UniCredit Bank AG--Risk Position

	--Year-ended Dec. 31--				
(%)	2022	2021	2020	2019	2018
Growth in customer loans	5.4	4.4	2.5	4.5	8.1
Total diversification adjustment/S&P Global Ratings' RWA before diversification	2.0	1.1	1.7	2.0	(2.2)
Total managed assets/adjusted common equity (x)	19.0	20.2	21.9	19.8	17.0
New loan loss provisions/average customer loans	0.2	0.1	0.5	(0.1)	0.7
Net charge-offs/average customer loans	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Gross nonperforming assets/customer loans + other real estate owned	1.8	2.0	2.4	1.9	2.3
Loan loss reserves/gross nonperforming assets	66.6	58.3	57.0	68.6	65.2

N/A--Not applicable.

Table 6

UniCredit Bank AG--Funding And Liquidity

	--Year-ended Dec. 31--				
(%)	2022	2021	2020	2019	2018
Core deposits/funding base	61.0	54.3	50.8	51.9	51.2
Customer loans (net)/customer deposits	104.8	110.4	103.8	111.4	113.1
Long-term funding ratio	79.6	80.4	85.3	77.6	76.4
Stable funding ratio	114.5	115.1	132.1	111.9	109.4
Short-term wholesale funding/funding base	22.0	21.0	15.7	24.2	25.4
Broad liquid assets/short-term wholesale funding (x)	1.5	1.7	2.5	1.5	1.4
Broad liquid assets/total assets	25.1	27.5	30.6	27.6	27.4
Broad liquid assets/customer deposits	54.5	65.1	77.1	68.7	68.4
Net broad liquid assets/short-term customer deposits	18.5	25.2	42.3	21.2	18.0
Short-term wholesale funding/total wholesale funding	55.5	45.3	31.6	50.2	52.0
Narrow liquid assets/3-month wholesale funding (x)	2.3	2.0	3.8	1.9	1.6

Related Criteria

- General Criteria: Hybrid Capital: Methodology And Assumptions, March 2, 2022
- Criteria | Financial Institutions | General: Financial Institutions Rating Methodology , Dec. 9, 2021

- Criteria | Financial Institutions | Banks: Banking Industry Country Risk Assessment Methodology And Assumptions , Dec. 9, 2021
- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings , Oct. 10, 2021
- General Criteria: Group Rating Methodology , July 1, 2019
- Criteria | Financial Institutions | General: Risk-Adjusted Capital Framework Methodology , July 20, 2017
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings , April 7, 2017
- General Criteria: Principles Of Credit Ratings , Feb. 16, 2011

Related Research

- Robust German Banking Industry Weathers Increased Geopolitical Economic Risk, Feb. 16, 2023
- Rating Actions On UniCredit's German and Austrian Banks On Insulation From Parent After Review Of Resolution Approach, Aug. 10, 2022
- Geopolitical Risks Add Headwinds For German Banks, Despite Robust Capitalization, July 19, 2022
- UniCredit Bank AG, March 4, 2022

Ratings Detail (As Of April 24, 2023)*		
UniCredit Bank AG		
Issuer Credit Rating		BBB+/Stable/A-2
Resolution Counterparty Rating		A-/--/A-2
Senior Subordinated		BBB
Senior Unsecured		BBB+
Issuer Credit Ratings History		
10-Aug-2022	*Foreign Currency*	BBB+/Stable/A-2
06-Nov-2018		BBB+/Negative/A-2
03-Nov-2017		BBB+/Developing/A-2
10-Aug-2022	*Local Currency*	BBB+/Stable/A-2
06-Nov-2018		BBB+/Negative/A-2
03-Nov-2017		BBB+/Developing/A-2
Sovereign Rating		
Germany		AAA/Stable/A-1+
Related Entities		
UniCredit Bank Austria AG		
Issuer Credit Rating		BBB+/Stable/A-2
Resolution Counterparty Rating		A-/--/A-2
Senior Unsecured		BBB+
Short-Term Debt		A-2
Subordinated		BBB-
UniCredit SpA		
Issuer Credit Rating		BBB/Stable/A-2

Ratings Detail (As Of April 24, 2023)*(cont.)	
Resolution Counterparty Rating	BBB+/--/A-2
Commercial Paper	
Local Currency	A-2
Junior Subordinated	BB-
Senior Secured	AA-/Stable
Senior Subordinated	BBB-
Senior Unsecured	BBB
Subordinated	BB+

*Unless otherwise noted, all ratings in this report are global scale ratings. S&P Global Ratings' credit ratings on the global scale are comparable across countries. S&P Global Ratings' credit ratings on a national scale are relative to obligors or obligations within that specific country. Issue and debt ratings could include debt guaranteed by another entity, and rated debt that an entity guarantees.